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**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**BOARD OF ADMINISTRATION**  
**BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE**  
**MEETING MINUTES**

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June 14, 2011

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A meeting of the Benefits and Program Administration Committee (BPAC) was held on Tuesday, June 14, 2011, in the Lincoln Plaza North Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 2:30 p.m. and the roll was called. The following members were present:

George Diehr, Chair  
Rob Feckner, Vice Chair  
Terry McGuire for John Chiang  
Richard Costigan  
Henry Jones  
Priya Mathur  
Louis Moret  
Tony Oliveira  
Howard Schwartz for Ronald Yank

Other Board Member(s):

Grant Boykin for Bill Lockyer  
JJ Jelincic

**AGENDA ITEM 3a – CONTRACT REFORM PROJECT**

Kim Malm, Chief, Operations Support Services Division, presented the Contract Reform Project as an information item.

**AGENDA ITEM 4a – AB 1184 (GATTO) – CALPERS EMPLOYER LIABILITY FOR EXCESSIVE COMPENSATION AND CLOSURE OF THE REPLACEMENT BENEFITS PLAN FOR NEW MEMBERS**

Danny Brown, Chief, Office of Governmental Affairs, presented AB 1184 (Gatto) – CalPERS Employer Liability for Excessive Compensation and Closure of the Replacement Benefits Plan for New Members as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Costigan and **CARRIED**, the Committee recommended the Board adopt an oppose position unless it is amended to only eliminate the Replacement Benefits Program for new CalPERS members.

#### **AGENDA ITEM 4b – AB 1247 (FLETCHER) – FINANCIAL AND INVESTMENT REPORTING REQUIREMENTS**

Mr. Brown presented AB 1247 (Fletcher) – Financial and Investment Reporting Requirements as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Costigan and **CARRIED**, the Committee recommended the Board adopt a support position with the following suggested amendments:

- Calculate contribution rates and liabilities utilizing one percentage point above and below the investment return assumption instead of two percentage points.
- Allow the Chairman of the CAAP or designee to present to the joint legislative committees.

#### **AGENDA ITEM 4c – AB 1320 (ALLEN) – TAXPAYER ADVERSE RISK PREVENTION ACCOUNTS**

Mr. Brown presented AB 1320 (Allen) – Taxpayer Adverse Risk prevention Accounts as an information item.

#### **AGENDA ITEM 4d – AB 873 (FURUTANI) – POST SEPARATION EMPLOYMENT FOR STATE RETIREMENT SYSTEM BOARD AND STAFF**

Mr. Brown presented AB 873 (Furutani) – Post Separation Employment for State Retirement System Board and Staff as an action item. The committee took no action.

#### **AGENDA ITEM 5a - BOARD RESOLUTIONS REGARDING TERMINATION OF CONTRACTS**

Alan Milligan, Chief Actuary, presented the Board Resolutions Regarding Termination of Contracts as an action item.

On **MOTION** by Mr. Jones, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board approve to rescind Board Resolution 07-01-AESB and adopt Board Resolutions EXEC-11-01 and ACT-11-02 (Attachment 1 & 2) regarding delegation of authority to terminate contracts and determining actuarial liabilities of plans upon termination.

#### **AGENDA ITEM 5b – CHIEF ACTUARY REPORT**

Mr. Milligan presented the Chief Actuary Report and matrix as information item.

## **AGENDA ITEM 6 – PSR: STAKEHOLDER COMMUNICATION FOR SYSTEM CONVERSION**

Donna Lum, Deputy Executive Officer, Customer Services and Support and Tacey Derenzy, Manager, PSR Project Communications Office, presented the PSR: Stakeholder Communication for System Conversion as an information item.

## **AGENDA ITEM 7a – PUBLIC EMPLOYEE COMPENSATION UPDATE**

Marion Montez, Assistant Chief, Customer Account Services Division, presented the Public Employee Compensation Update as an information item.

## **AGENDA ITEM 7B – CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) UPDATE**

Rand Anderson, Acting Chief, Affiliate Programs Services Division, presented the California Employers' Retiree Benefit Trust Update as an information item.

## **AGENDA ITEM 7c – DEPUTY EXECUTIVE OFFICER REPORT**

Ms. Lum presented the Deputy Executive Officer Report and matrix as an information item.

## **AGENDA ITEM 7d – DRAFT AGENDA FOR THE AUGUST 16, 2011, BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING**

The committee approved the draft agenda as presented.

The next meeting of the Benefits and Program Administration Committee is scheduled for August 16, 2011, in Sacramento, California.

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DONNA RAMEL LUM  
Deputy Executive Officer  
Customer Services and Support

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Date